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Hans-Linhard Reich

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CHADBOURNE & PARKE LLP  
30 ROCKEFELLER PLAZA  
NEW YORK, NY 10112

EXAMINER

DASS, HARISH T

ART UNIT

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/877,439	<b>Applicant(s)</b> REICH ET AL.	
	<b>Examiner</b> HARISH T. DASS	<b>Art Unit</b> 3695	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 25 November 2009.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-35 is/are pending in the application.
- 4a) Of the above claim(s) 35 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-34 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

### DETAILED ACTION

1. This office action is in response to Applicant's communication of 11/25/2009.
2. **Reference/Note:** See Examiner-Initiated Interview Summary (Paper No. 20100223, dated Feb 24, 2010). As of today 3/9/2010, Examiner has not received any paper or correspondence from the Attorney Daniel Sheridan (Reg. 53,585).
3. **Priority:** 6/8/2000
4. **Status of Claims:**

Claims 1-34 are pending and remain rejected.

Claim 35 is withdrawn.

### ***Claim Rejections - 35 USC § 112***

5. The following is a quotation of the first paragraph of 35 U.S.C. 112:  

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.
6. Claims 1-20 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. Particularly, "retrieving via ... a compliance set by the dynamically updates compliance rules engine ..." The specification does not enables this limitation. The

Art Unit: 3695

specification does not disclose the "compliance rule engine" is updated. The specification discloses updated restriction list (paragraphs 38, 42, 13).

***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**a. Claims 1-2 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar (US 5,893,079) in view of Rhonda Bissig (Merrill, ex-broker hit with multi-million dollar lawsuit in N.H. Rhonda Bissig. Wall Street Letter. New York: Feb 7, 2000. Vol. 32, Iss. 6; pg. 1, 2 pgs) – hereinafter Bissig and Tuttle (US 7,412,417).**

*Examiner has pointed out particular references contained in the prior arts of record in the body of this action for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner.*

Re. Claim 1, Cwenar discloses dynamically updated database data [col. 5 lines 56-63; col. 9 lines 14-55]; receiving a compliance request having an associated party and indicating a particular instrument associated with an issuer [Abstract; Figure 5; col. 1 lines 11-20; col. 2 lines 41-51];

(b) retrieving restrictions associated with the particular instrument from a collection of restrictions [Figure 5; col. 1 lines 11-20; col. 5 lines 22-25; col. 11 line 34 to col. 12 line 48 – violation of rules];

(c) processing via computer system the retrieved rule set to determine at least **at least one applicable compliance rule** (rules) selected based on the party's a profile information [ see col. 2 lines 41-51, col. 10 lines 23-35, col. 13 lines 3-9 – col. 10, the paragraph reads “ ... users to access the central database 101 simultaneously and enters inquiries (request) and receive all data permitted within whatever rules (col. 13 “if a propose prospectus is in compliance with legal rules and preference rules.” - the rules have to be compliance rules); col. 2 group of rules ],

(d) applying via the computer system the determined applicable compliance rules using the retrieved restrictions to determine if the compliance request complies with the restrictions [col. 2 lines 42-51; col. 11 line 34 to col. 12 line 48]; and

(e) generating an electronic compliance request message that includes the result of the compliance rules application [col. 2 lines 42-51; col. 3 lines 17-18 (provide a system which delivers timely, accurate investment data ...)].

Cwenar does not explicitly disclose the profile reflecting at least the relationship between the associated party and the entity; querying via a dynamically updated compliance rules engine a list server to retrieve restrictions; retrieving via the computer system a compliance set by the dynamically updated compliance rules engine, connected to one or more databases containing the associated party's profile information;

Bissig discloses the profile reflecting at least the relationship between the associated party and the entity [see pages 1 & 2, the article shows the relationship of agent with brokerage firm "David allegedly engaged in trading activities that are a violation of both Merrill and industry compliance rules. ... David's alleged relationship with Canadian mining company Naxos Resources. ..."]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cwenar and include profile reflecting at least the relationship between the party and the entity, as disclosed by Bissig to provide system to monitor the violation and compliance rule with respect to the party engaged in trade who has relationship with entity and provide preventive steps for unauthorized and fraudulent transaction by party who has relationship with firm.

Tuttle discloses querying via a interactive system to updated compliance rules engine a list server to retrieve restrictions; retrieving via the computer system a compliance set by the dynamically updated compliance rules engine, connected to one or more databases containing the associated party's profile information [Abstract; col. 2 line 20 through col. 3 line 15, col. 6 lines 30-45, col. 7 lines 15-40 and claims]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosure of Cwenar, Bissig and Tuttle to configure a compliance rules sets database updatable dynamically.

Re. Claim 2, Cwenar discloses wherein each compliance rule has an associated priority, the priority indicating an order in which the rules are applied during the

Art Unit: 3695

evaluating step [col. 2 lines 41-51].

**b. Claims 3-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar, Bissig and Tuttle as applied to claims 1 and 2, and further in view of Applicant's Admitted Prior Art (APA).**

Re. Claims 3-15, Cwenar discloses real-time high speed data processing for rule-based compliance, review and determination of a proposed transaction for violation, database and tables (setting up database, user privileges, access permission/restriction to a table is inherent in database setup "access group") [Figures 4-6; col. 2 line 41 to col. 3 line 2, col. 11 line 34 to col. 12 line 38; col. 13 lines 14-16].

Cwenar or Bissig or Tuttle *does not explicitly disclose* wherein the restrictions are indicated in a plurality of lists including a first list indicating restrictions related to publicly available information and a second list indicating restrictions related to non-public information; the priority of rules applying to the first list being greater than the priority of rules applying to the second list.

The restrictions are indicated in least a first list and restrictions in the first list have an associated severity level; the step of retrieving comprising retrieving restrictions from the first list wherein, if a plurality of restrictions associated with the particular instrument is in the first list, retrieving from the first list only the restriction associated with the particular instrument having the highest severity level; wherein restrictions are transaction restrictions and each restriction has an associated severity level

Art Unit: 3695

selected from a group comprising at least one of a low severity indicating that transactions are permitted for a party in a first category and not permitted for a party in a second category, and a high severity indicating that transactions are not permitted for any party. Wherein the first category comprise customers of the entity and the second category comprises employees of the entity. wherein the severity group further comprises a medium severity indicating that transactions are permitted only with additional approval. wherein the step of accessing a compliance rule set comprises: accessing a baseline rule set; accessing at least one additional rule set selected in accordance with the party profile; and combining the accessed baseline rule set and the at least one additional rule set to form the compliance rule set. accessing rule exception data selected in accordance with the party profile; and removing rules from the compliance rule set in accordance with the rule exception data. wherein the request is received from the party and the message is sent to the party. wherein the request is received from an electronic trading system and the output message is sent to the electronic trading system, logging requests where a determination is made that the request violates the restrictions; re-executing steps (b)-(d) on a periodic basis for logged requests; if a re-execution indicates that a particular logged request does not violate the restrictions, outputting a message indicating the request approval, wherein the entity comprises a company and the party comprises one of an employee of the company, a customer of the company, and the company, wherein the compliance request comprises an electronic document containing data indicating a company name; the method further



Art Unit: 3695

comprising the steps of extracting the company name from the document and mapping the extracted company name to an associated instrument and step of embedding the compliance condition message in a representation of the document.

However, APA discloses wherein the restrictions are indicated in a plurality of lists including a first list indicating restrictions related to publicly available information and a second list indicating restrictions related to non-public information; the priority of rules applying to the first list being greater than the priority of rules applying to the second list [page 2 line 8-17]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cwenar or Bissig or Tuttle and include wherein the restrictions are indicated in a plurality of lists including a first list indicating restrictions related to publicly available information and a second list indicating restrictions related to non-public information; the priority of rules applying to the first list being greater than the priority of rules applying to the second list, as disclosed by APA, to allow the financial institution to provide the public information about securities which are required by SEC for investor to know and restrict proprietary information from public which are essential to company only to avoid fraud and tampering with company database or operation.

Further, database administration, account setup, logging into database, accessing database, access privileges to database and tables based on severity level, groups, category, etc are old and will known. Where these access privileges are set based on the business choices, interaction with public, management practices, etc. Database engines or software inherently allow these schemas to be embedded in

Art Unit: 3695

software design or administrative procedures. For example: employee database of a company online, where every body can find the employee name, rank and telephone number, PTO employee locator, while a manager of a group can access some of the employee information in his group which is not available to public (logging to his company system based on his access privilege can check his staffs), e.g., salary, home address, where HR manager can access the entire database for all employee and every information available for employee but not the finance part of the company, etc.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cwenar, Bissig, Tuttle and APA and include different set of database access privileges for database users to provide users with the information they are allow to know and at the same time protect the business confidential information to reach unauthorized users who not suppose to have access to them.

**c. Claims 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar in view of Bissig and Beale (WO 98/59307) and Tuttle.**

Re. Claim 16, Cwenar discloses

providing a collection of compliance rules, at least some compliance rules having an associated priority [col. 2 lines 41-47];

receiving via the computer system a compliance request having an associated party and indicating a particular instrument associated with an issuer [Abstract; Figure 5; col. 1 lines 11-20; col. 2 lines 41-51];

retrieving transaction restrictions associated with the particular instrument from a collection of restrictions [Figure 5; col. 1 lines 11-20; col. 5 lines 22-25; col. 11 line 34 to col. 12 line 48 – violation of rules];

retrieving a compliance rule set identifying at least one compliance rule (rules) selected in accordance with a profile associated with the party [see above],

comparing at least a portion of the rules in the compliance rule set using the retrieved restrictions to determine if the request complies with the restrictions [col. 2 lines 42-51; col. 11 line 34 to col. 12 line 48]; and

generating an electronic compliance request message that includes the result of the compliance rules application [col. 2 lines 42-51; col. 3 lines 17-18 (provide a system which delivers timely, accurate investment data ...)].

Cwenar implicitly discloses generating a compliance rule set identifying at least one compliance rule in the collection of compliance rules by combining a baseline rule set and at least one additional rule set selected in accordance with the party profile [See Figure 5 – 162 and 168 – the output of the #168 is combination of 2 rules tested sequentially. For example, if #162 has 5 basic rules that applies to every trade (such as government mandates) and #168 has 1 rule for every manager, it means every

Art Unit: 3695

manager trade has to be tested for combination of 5x1 rules and if the board member has 2 rules (#168), he/she should be tested for 5x2=10 rules].

Cwenar does not explicitly disclose querying via a dynamically updated compliance rules engine a list server to retrieve restrictions;

the profile reflecting at least the relationship between the party and the entity;  
and

generating a compliance rule set identifying at least one compliance rule in the collection of compliance rules by combining a baseline rule set and at least one additional rule set selected in accordance with the party profile.

However, accessing database to retrieve profile is known. E.g., customer provides his social security number to the department store for applying of store card, the system retrieves the profile of the customer.

Bissig discloses the profile reflecting at least the relationship between the party and the entity [see pages 1 & 2, the article shows the relationship of agent with brokerage firm "David allegedly engaged in trading activities that are a violation of both Merrill and industry compliance rules. ... David's alleged relationship with Canadian mining company Naxos Resources. ..."].

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cwenar and include profile reflecting at least the relationship between the party and the entity, as disclosed by Bissig to provide system to monitor the violation and compliance rule with respect to the

Art Unit: 3695

party engaged in trade who has relationship with entity and provide preventive steps for unauthorized and fraudulent transaction by party who has relationship with firm.

**Beale** generating a compliance rule set identifying at least one compliance rule in the collection of compliance rules by combining a baseline rule set and at least one additional rule set selected in accordance with the party profile [Abstract; page 2 lines 22-37, page 4 line 23 through page 5 line 20, page 31#46]. Therefore, it would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosures of Cwenar, Bissig and Beale and include generating a compliance rule set identifying at least one compliance rule in the collection of compliance rules by combining a baseline rule set and at least one additional rule set selected in accordance with the party profile, as disclosed by Beale, to generate new compliance rules using Beale's algorithm to breed rules by merging pairs of existing compliance rules or extracted portion of existing compliance rules and combine them to generate new compliance rule and update the database by storing the newly generated compliance rule to the database, which will be used for preventing future transaction from executing in event the transaction is non-compliance with new rule.

Tuttle discloses querying via a dynamically updated compliance rules engine a list server to retrieve restrictions [supra]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosure of Cwenar, Bissig, Beale and Tuttle to configure a compliance rules sets database updatable dynamically.

Art Unit: 3695

**d. Claims 17-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar, Bissig, Beale and Tuttle as applied to claim 16, and further in view of Applicant's Admitted Prior Art (APA).**

Re. Claims 17-20, having substantially similar limitations as claims 3-15 and are rejected with same rationales as rejection of claims 3-15.

**e. Re. Claim 21, system claim 21 is rejected with same rational & analysis as claim 1 or claim 16.** The system disclosed by Cwenar is capable to implementing the process disclosed by the Cwenar in view of Bissig, OR  
Cwenar in view of Bissig, Tuttle and Beale.

**f. Claims 22-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar, Bissig, Tuttle and Beale as applied to claim 21, and further in view of Applicant's Admitted Prior Art (APA), OR (alternatively)**

**Claims 22-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar, and as applied to claim 21, and further in view of Applicant's Admitted Prior Art (APA)..**

Re. Claims 22-34, having substantially similar limitations as claims 3-15 and are rejected with same rationales as rejection of claims 3-15.

***Response to Arguments***

8. Applicant's arguments with respect to claims have been considered but are moot in view of the new ground(s) of rejection.

***Conclusion***

9. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Art Unit: 3695

Note; Method Claims may be allowable per Examiner's discussion with attorney Daniel Sheridan if the claims are amended and include subject matter that are not disclosed in prior art of record. Applicant should review paragraphs 38, 42, and 13. Examiner hoped that the attorney will draft a proposed amendment that could be fixed and entered as an examiner amendment to speed the process of prosecution.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to HARISH T. DASS whose telephone number is (571)272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kyle Charles can be reached on 571-272-6746. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Harish T Dass/



Application/Control Number: 09/877,439  
Art Unit: 3695

Page 16

Primary Examiner, Art Unit 3695

3/9/2010